



INTRODUCTION

Introduction

County History, Geography, Demographics, and Economic Outlook

Miami-Dade County was created on January 18, 1836 under the Territorial Act of the United States. It was named for Major Francis L. Dade, a soldier killed in 1835 in the Second Seminole War. Subsequent to the creation of Miami-Dade County, Florida became the twenty-seventh state of the United States of America on March 3, 1845.

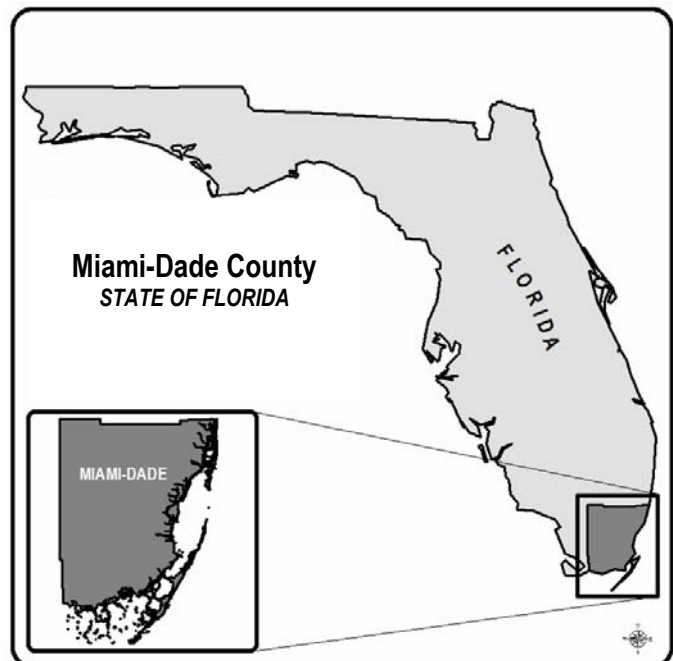
Miami-Dade County, Florida is the largest county in the southeastern United States and the eighth largest in the nation by population. Miami-Dade County is often referred to as the "Gateway to Latin America and the Caribbean." The County's population is estimated to be 2,422,075 as certified to the Florida Department of Revenue by the Executive Office of the Governor, estimates as of April 1, 2005. The population density is 4,994 people per square mile within the urban area. The racial makeup of the County is 58.5 percent hispanic, 19.3 percent white, 19.1 percent black, 3.1 percent other races. Approximately one half of the people living in Miami-Dade County in 2004 were foreign born. Among County residents, 32.1 percent speak English, 59.2 percent speak Spanish, 5.1 percent speak Creole, and 3.6 percent speak other languages. The per capita income in the County is \$27,593 and the median family income is \$55,900. Of the County's total population, 14.9 percent of the families live below the poverty line.

Approximately 418 square miles (excludes Bay and Coastal Water) of the County are within the urban development boundary while the total county land area currently covers a total of 2,431 square miles (1,946 square miles of land and 485 square miles of water) and is bound by Biscayne Bay and the Atlantic Ocean to the east, Everglades National Park to the west, the Florida Keys to the south, and Broward County to the north. Miami-Dade County is the only metropolitan area in the United States that borders two national parks: Biscayne National Park and Everglades National Park.

The Greater Miami area is the center for international commerce in the southeastern United States and its proximity to the Caribbean, Mexico, and Central and South America makes it a natural center of trade to and from North America. In addition, the international background of many of its residents is an essential labor force characteristic for multi-national companies which must operate across language and cultural differences.

The County had the highest concentration of foreign bank agencies on the east coast south of New York City as of September 30, 2004 with a total of 34 foreign chartered banks and over \$14.3 billion on deposit according to the Department of Financial Services, Office of Financial Regulation. The favorable geographic location of the County, the trained commercial labor force and the favorable transportation facilities have caused the economic base of the County to expand by attracting many national and international firms doing business in Latin America. Other national firms which established international operations or office locations in the County are: Ryder Systems, Burger King, The Gap, Ericsson, 3M, Black & Decker, Inc., Caterpillar, Inc., Oracle Corporation and Lennar.

The Greater Miami area is also the leading center for tourism in the State. Miami ranks second behind Orlando as a destination for non-residential air travelers according to the Florida Division of Tourism of the Department of Commerce. It is also the principal port of entry in the State for international air travelers. During 2005, 71.1 percent of international air travelers (excluding travelers from Canada and Mexico) entering



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the State arrived through Miami International Airport, according to statistics compiled by the U.S. Department of Transportation.

The County's economy has been transitioning from mixed service and industrial in the 1970s to one dominated by services in the late 1990s primarily due to the expansion in international trade, the tourism industry, and health services. Wholesale trade and retail trade have and are projected to become stronger economic forces in the local economy. This reflects the County's position as a wholesale center in Southeast Florida, which is serving a large international market. The tourism industry remains one of the largest sectors in the local economy.

Government Structure

The County has operated since 1957 under a unique metropolitan system of government known as a "two-tier federation." This was made possible when Florida voters approved a constitutional amendment in 1956 that allowed the people of the County to enact a home rule charter. At that time, the electors of Miami-Dade County were granted the power to revise and amend the Charter from time to time by countywide vote. The most recent amendment was in March 2004. The County has home rule powers, subject only to the limitations of the Constitution and general laws of the State. The County has, in effect, a County government with certain powers effective throughout the entire county, including 35 municipalities located within the county, and a municipal government for the unincorporated area of the county. The County can take over particular activities of a city's operations if the services fall below minimum standards set by the Board of County Commissioners (BCC) of Miami-Dade County or with the consent of the governing body of a particular city.

Unlike a consolidated city-county, where the city and county governments merge into a single entity, these two entities remain separate. Instead there are two "tiers," or levels, of government: city and county. There are currently 35 municipalities in the county, the City of Miami being the largest and the Town of Cutler Bay being the most recently incorporated.

Of the county's total population, approximately 1.135 million or 47 percent live in the unincorporated area, the majority of which is heavily urbanized. For residents living in the Unincorporated Municipal Services Area (UMSA), the County fills the role of both tiers of government. Residents within UMSA pay a property tax for municipal-type services provided by the County such as police, parks, public works, and zoning. Residents of municipalities do not pay UMSA tax.

The Executive Mayor of Miami-Dade County, first elected in October of 1996, is elected countywide to serve a four-year term. The Mayor, who is not a member of the BCC, appoints the County Manager, with approval and consent of the BCC, to oversee the operations of the County Departments. The Mayor has veto power over the BCC and is limited to two four-year terms in office.

The BCC is the legislative body, consisting of 13 members elected from single-member districts. Members are elected to serve four-year terms (with no term limits) and elections of the membership are staggered. The full BCC chooses a Chairperson, who presides over the BCC, as well as appoints the members of its legislative committees. The BCC has a wide array of powers to enact legislation, create departments, and regulate businesses operating within the County. It also has the power to override the Mayor's veto with a two-thirds vote.

Florida's Constitution provides for five elected officials to oversee executive and administrative functions for each county: Sheriff, Property Appraiser, Supervisor of Elections, Tax Collector, and Clerk. Through the Home Rule Charter, the first four of these offices was reorganized and became subordinate County Departments. Today these positions are appointed by and report to the County Manager. The most visible distinction between Miami-Dade and other Florida counties is the title of its law enforcement agency. It is the only county in Florida that does not have an elected sheriff, or an agency titled "Sheriff's Office." Instead, the equivalent agency is known as the Miami-Dade Police Department and its chief executive is known as the Director of the Miami-Dade County Police Department.

The Clerk of the Board is a separate, duly elected constitutional officer as mandated by Article V, Section 16 of the Constitution of the State of Florida. The Clerk is elected to a four-year term by the electorate of Miami-Dade County. In this

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capacity, the Clerk serves as the Clerk of the Board of County Commissioners, County Recorder, County Auditor, custodian of all County funds, and custodian of all records filed with the Court.

Reader's Guide and Format of Documents

The development of the Miami-Dade County FY 2006-07 Proposed Resource Allocation and Multi-Year Capital Plan and its presentation to the Mayor, BCC, and citizens of the County represents the culmination of countless hours of analysis and deliberation by County staff. Due in large part to the early participation and active involvement of the elected officials, this plan reflects the priorities of our community. The task of matching strategic priorities for services with available resources, while minimizing the burden of taxes and fees, is challenging and requires extensive consideration. In accordance with growth management guidelines, the Multi-Year Capital Plan is also presented at this time as part of the budget documents. These documents illustrate the Proposed Budget for the County, which is the annual implementation mechanism for the County's Strategic Plan.

County departments are grouped into eight areas: policy formulation, six strategic service delivery areas (public safety, transportation, recreation and culture, neighborhood and unincorporated area municipal services, health and human services, and economic development), and enabling strategies. This grouping organizes the departmental narratives by the strategic area that they primarily support with service. Each strategic area grouping of departments is separated in this book with a divider page that states the corresponding mission, goals, and priority key outcomes for that strategic area. This approach highlights the strong relationship between departments' operational plans (business plan and proposed expenditure allocations) and the strategic plan.

The format of Volume 1 clearly reflects the relationship between the strategic plan, business plans, and the proposed allocations. The format also addresses requests from BCC members for specific information about positions and line item expenditures. Individual department descriptions are divided into as many as eight sections. First, a brief summary describes the department's functions and stakeholders. Next there is a sample of performance measures in tabular and graphical format. The third section is the department's functional table of organization. The financial summary follows the table of organization. The financial summary has been expanded from past years to include a three-year comparison of detailed revenue sources, an operating expenditure summary, and non-operating expenditures, if any. Also included are current year and proposed allocations by strategic area and program along with a comparison of approved positions. The following section details strategic planning priorities and budget highlights for both operating and capital highlights, including the desired outcome from the strategic plan, service priorities, and performance impacts. The next section is the capital budget summary, which includes revenues and expenditures for all prior years, FY 2006-07, and the next five years. The following section highlights selected budget line item details, comparing the prior two fiscal year's actual expenditures with FY 2005-06 budget and projected expenditures and with the FY 2006-07 proposed amounts. The final section provides a narrative summary in "bullet" form of additional comments and highlights.

The appendices of Volume 1 include a more detailed version of the funding summaries grouped by strategic area and another table that consolidates all departmental expenditures into the categories of personnel, other operating, and capital, in accordance with generally accepted budgeting practices. The modified accrual basis of budgeting is used for governmental funds and the accrual basis is used for proprietary funds in this presentation.

Other important budget information, such as descriptions of the recommended millage rates and estimated property tax rolls, the County's population, social service program funding, tourist tax revenues, gas tax revenues, also can be found in the appendices. A glossary of terms used in the Proposed Resource Allocation Plan, a listing of the strategic plan desired outcomes, and an index can be found in the back of the book.

Where departmental reorganizations or realignments are recommended, the pertinent prior year budget figures as well as the FY 2005-06 figures, relating to both funding and staffing, have generally been adjusted so that they are comparable to the FY 2006-07 Proposed Budget. This convention is used to isolate budget changes for comparative purposes by normalizing for organizational shifts.

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Figures relating to budgeted and recommended staffing levels on the departmental pages and in the appendices are limited to full-time positions. Part-time, temporary, and seasonal positions are not included in the staffing figures but their costs are included in the expenditures.

Volume 2 to this document contains detailed information regarding funded and unfunded multi-year capital projects, as well as information regarding County debt.

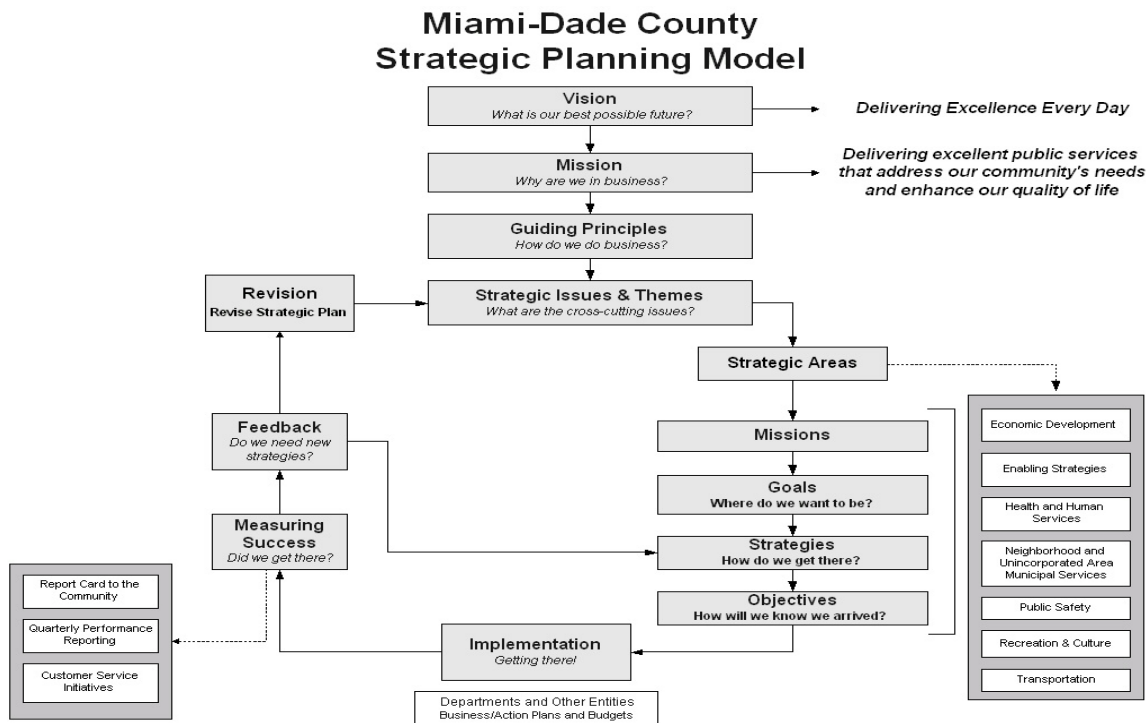
Operating costs are recurring personal service or consumable asset expenditures, the costs of which are usually consistent and annual. Capital costs are non-recurring expenditures that have a useful life of more than five years and have a total cost that exceeds \$50,000 in total funding. The capital cost includes all manpower, implementation costs, and capital outlay required to fully implement each project.

Strategic and Business Planning for Delivering Excellence Every Day

On June 3, 2003, the BCC adopted Resolution R-664-03, Miami-Dade County's Strategic Plan community goals and key strategic outcomes, and on April 13, 2004, adopted the County's vision statement – "Delivering Excellence Every Day." The plan lays out the County vision, mission, goals, objectives, supporting strategies, and preliminary key performance indicators. It is a strategic roadmap – one that articulates where we want to be, how we will get there, and how we know when we've arrived.

Departments refine their specific operational initiatives and their linkages with organizational strategies as they prepare their annual business plans. In some cases, initiatives may not be sufficient to achieve all strategic plan objectives. The strategic plan is a five-year plan; performance objectives identified may not be achieved until 2008. This process of managing resources to achieve business plan objectives that are guided by a multi-year strategic plan is a substantial undertaking and a significant departure from traditional government managing. As this results-oriented approach continues to mature, greater alignment between the strategic plan and departmental business plans will be achieved. This FY 2006-07 Proposed Resource Allocation Plan incorporates these results-oriented government concepts, with specific focus on performance measurement, into overall resource allocation decisions.

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Each department continues to create and refine its operational performance measures to track progress towards achieving the intended outcomes contained in the strategic plan. Performance measures can be categorized into one of four categories:

1. Outcome (effectiveness): These measures depict the degree to which performance objectives are achieved, reflect the quality or customer satisfaction with a service, or combine a measure of effectiveness and efficiency into a single indicator. These measures focus on the final results of programs and activities.
2. Efficiency: These measures relate the resources used to perform the work and the amount of work actually performed. This measure is a ratio between inputs to outputs.
3. Output (workload) measures: These measures indicate the amount of work performed or the amount of services received.
4. Input measures: These depict the resources (employees, dollars, equipment, work hours) used in delivering a service or product.

Using these categories, departments create measures that reflect their operations from a balanced perspective. Department managers use performance measures, first, as a tool to improve performance and, second, to inform others about their progress towards achieving their objectives. Performance measures reported in these documents represent ongoing efforts to provide a balanced set of measures within a business-planning context.

Results-Oriented Government

Miami-Dade County is committed to revitalizing and strengthening its public services to meet the needs of the residents of this community. Being forward-thinking, responsive, and accountable is a complex challenge that many local governments in America face daily. Results-oriented governing is predicated upon planning and bolstered by performance measurement and feedback systems. In July 2005, the Board adopted Ordinance 05-136 establishing a framework for developing policies, allocating resources, and appraising performance based upon the strategic plan.

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No system, no matter how aligned with progressive management techniques or best practices, drives an organization without commitment from the top and support from its employees. Results-oriented government means a cultural change for our organization; a change that focuses on achieving results for our customers and being responsive and accountable to the taxpayers. Accomplishing this change means that the entire County organization must be familiar with the desired results. It is important that everyone in our organization is aware of his or her unique role in achieving those results, and our organization must be accountable to our residents, communicating what is achieved and what needs to be improved. The County's framework for results-oriented government focuses on leadership and the organizational structure which is comprised of three components – Planning, Measuring, and Monitoring. This framework is essential to achieving results-oriented government. It is important that our elected officials, the County Manager's Office, and all senior management lead the implementation of a results-oriented government culture. Our entire organization must understand our mission and our employees must practice our organizational values (our Guiding Principles) and understand their role in supporting their department's business plan, and through that, our Countywide Strategic Plan.

- **Planning** – We are continuing to build on the County's Strategic Plan through the business planning and resource allocation process. A well executed plan promotes a common understanding of our County's overall direction so that our employees can readily determine how their work supports the strategic direction and organizational success. Department business plans and a new approach to our resource allocation process are designed to ensure that financial resources, policy, department operations, and County staff are all aligned to achieve the results outlined in those plans.
- **Measuring** – We are continuing to refine our performance measures and measurement systems to ensure that our measures are appropriate, accurate, reliable, and timely.
- **Monitoring** – We are continuing to enhance our accountability to our elected officials and our residents.

By ordinance, the BCC promotes the directive of improving delivery of excellent public services in a cost effective manner through the use of strategic planning, business planning, and a sound resource allocation process encompassing the performance based budgeting process and a structure for managerial accountability and performance. We have many good government initiatives underway and will continue to use our Toolbox of Initiatives to achieve customer service excellence and promote innovation to drive performance excellence in Miami-Dade County government.

Basic Budgeting Concepts

This section will help the reader better understand some of the terms and issues associated with government budgets in general and Miami-Dade County's budget, in particular. An annual budget is a financial, operating, and capital plan for the coming fiscal year. It provides an outline of service levels provided to the citizen and public capital investments in the community. To emphasize the linkages among the annual budget development process, the strategic plan, and the departmental business plans, the budget document has been titled the FY 2006-07 Proposed Resource Allocation and Multi-Year Capital Plan.

Miami-Dade County's resource allocation plan is a tool that serves five purposes:

- **Planning**: The budget process is an annual plan for management of the County to coordinate and schedule programs and services to address the County's priorities.
- **Prioritization**: County resources to address needs identified by the Mayor, the BCC, and the County's strategic plan, are prioritized through this process.
- **Information**: The resource allocation document is the primary way for the County to explain to the public what it intends to do with the taxes and fees it collects. Through the resource allocation document, the public can see how and where tax dollars and other revenues raised by the County will be spent.
- **Evaluation**: The budget is used to help determine how well services are provided and how successful the County is in meeting the community's needs.
- **Accountability**: The budget is a tool for legally authorizing public expenditures and to account for and control the use of public resources.

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Fiscal Year

A fiscal year is a twelve-month cycle that comprises a budget and reporting period. The County's next fiscal year starts October 1, 2006, and ends September 30, 2007 (shown as either 'FY 2006-07' or 'FY 06-07' throughout this document).

Millage Rates

The millage rate is a rate of taxation that is applied to property values to generate necessary revenue to pay for services proposed and adopted in the budget. The State Constitution places a 10 mill cap each on County (areawide) and municipal property tax rates.

The County actually has four operating millage rates; three (countywide, fire, and library) are subject to the County (areawide) 10 mill cap. The fourth is the unincorporated area millage, which is subject to its own 10 mill cap. In addition, the County has millage rates for voter-approved debt service, which are not subject to the 10 mill cap. Debt service millage rates are not included in the calculation of total millages for operating purposes. The revenue raised from the debt service millage pays outstanding debt for voter-approved general or special obligation bonds. The County has debt service millages for voter approved countywide debt and for Fire Rescue District debt.

A Mill of Tax

A mill is a rate of tax equal to \$1 for each \$1,000 of assessed taxable property value. If a piece of property has a taxable value of \$100,000 and the millage rate is 1, the property owner would pay \$100 in taxes. In Miami-Dade County for FY 2006-07 the average taxable value of a home with the Amendment 10 growth cap, after taking into account the homestead exemption, is approximately \$120,187.

Calculation of Property Taxes

There are four factors for calculating the amount of property tax assessed on property:

1. The assessed value of the property;
2. Adjustments for Amendment 10 of the Florida Constitution, if applicable [Amendment 10 to the State Constitution limits the growth in assessed value of residential properties with a homestead exemption to the lesser of the growth in the Consumer Price Index (CPI) or three percent (for FY 2006-07 such growth is limited to CPI growth of three percent);
3. The amount of value that is not subject to taxes (e.g., the \$25,000 homestead exemption and the additional homestead exemption for senior citizens who meet income criteria); and
4. The millage rate.

According to state law, the County Property Appraiser determines the market value of each property in Miami-Dade County as of January 1 each year. Then Amendment 10 adjustments are applied to find the assessed value. Finally, appropriate exemptions are applied to reach the taxable value. The taxable value is then multiplied by the millage rates set by the BCC and by other taxing authorities in September to determine the amount of property taxes that must be paid for the property when the bill (also called the tax notice) is mailed in November.

For example, if a property's assessed value is \$125,000 and the owner is entitled to a homestead exemption (valued at \$25,000), then the taxable value of the property is \$100,000. If a millage rate of 25 were applied to the taxable value, the taxes would be \$2,500 per year. The calculation is performed by taking the taxable value (\$100,000), dividing by 1,000, and multiplying by the millage rate (25).

Taxable Value and Millage Rates

The State defined rolled-back millage rate is the millage rate that, when applied to the tax roll for the new year, excluding the value of new construction, would allow the taxing authority to raise the same amount of property tax revenue for the new budget as it estimates to receive in the current year. Therefore, by excluding reassessments in its calculation, the rolled-back rate does not take into account inflationary growth in the County. The aggregate rolled-back millage rate is the sum of each individual rolled-back millage rates weighted by the proportion of its respective roll to the countywide tax roll.

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While Miami-Dade is responsible under state law to collect all taxes imposed within the county, the County itself levies only certain taxes on the tax notice. Table 1.1 shows the millage rates and taxes paid in FY 2005-06 by a residential property located in unincorporated Miami-Dade with an assessed value of \$125,000 and a taxable value after homestead exemption of \$100,000. These rates include debt service as well as operating millages. The rates in italics are the ones levied by the Miami-Dade BCC.

Using the example of Table 1-1, of the \$2,134 of tax collected, \$584 or 27.4 percent is used for countywide services, \$553 for UMSA, Fire Rescue, and Library services (city-type services), and \$36 for countywide and fire rescue debt service. Overall, the County levies 55 percent of the property taxes.

For residents of municipalities, all of the rates would apply, except the individual municipal millage rate would be used in place of the UMSA rate. Some municipalities are not in the Fire Rescue District or Library System and, thus, those rates would also not apply to those property owners.

TABLE 1.1 FY 2005-06 Operating and Debt Service Tax Rates and Calculated Taxes for a Property with a Taxable Value of \$100,000 in Unincorporated Miami-Dade County (Taxes are rounded)

Authority	Millage Rate	Tax	% of Total
<i>UMSA Operating</i>	<i>2.447</i>	<i>\$245</i>	<i>11.5%</i>
<i>Countywide Operating</i>	<i>5.835</i>	<i>\$584</i>	<i>27.4%</i>
<i>Fire-Rescue Operating</i>	<i>2.609</i>	<i>\$261</i>	<i>12.2%</i>
<i>Library System</i>	<i>0.486</i>	<i>\$49</i>	<i>2.3%</i>
<i>Countywide Debt Service</i>	<i>0.285</i>	<i>\$29</i>	<i>1.4%</i>
<i>Fire-Rescue Debt Service</i>	<i>0.052</i>	<i>\$5</i>	<i>0.2%</i>
Total to County	11.7140	\$1,173	55.0%
School Board	8.438	\$844	39.5%
Children's Trust	0.4288	\$43	2.0%
Everglades	0.100	\$10	0.5%
Water Management	0.597	\$60	2.8%
Inland Navigation	0.0385	\$4	0.2%
Total	21.3163	\$2,134	100%

The Budget Development Process

Pursuant to Article 4 of the Miami-Dade County Charter, the County Manager is required to recommend a proposed budget to the Mayor and BCC between June 1 and July 15. The Mayor is then required to prepare a written response to the County Manager's proposed budget and present it to the BCC before the BCC adopts the proposed millage rates, which usually occurs at the last BCC meeting in July.

Although submission of the proposed budget occurs on May 31 this year, budget development actually is a year-round process. As the fiscal year begins, departmental staffs update their business plans.

- In December and January, staff complete initial projections and estimates of revenues for the current and ensuing fiscal years.

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- In January, the County Manager submits a list of recommended budget priorities to the BCC.
- In February, County departments submit their resource allocation requests to the Office of Strategic Business Management (OSBM). Those requests are linked to the priorities in the departmental business plans. Resource Allocation meetings are held with the departments, the County Manager's Office, and OSBM to discuss service priorities and to begin the process to match them with available resources. The work requires numerous meetings among County staff to discuss and evaluate proposed service levels and funding.
- In March, the Mayor delivers a budget address putting forth his funding priorities.
- In April, the BCC defines its budget policies to guide budget preparation.
- Throughout the process, staff interacts with commission committees to review departmental budget submissions and obtain guidance regarding development of the proposed budget.

It is important to note that there are certain budget-related deadlines established by state statute. By July 1, the Property Appraiser certifies the Preliminary Final Property Tax Rolls. In July, the BCC usually determines the proposed millage rates to be used to calculate the estimated taxes published in the "Notice of Proposed Property Taxes" sent to each property owner in August. That determination is a significant point in the budget development schedule since the millage rates set by the BCC in July effectively represent a ceiling for property taxes for the ensuing fiscal year. If the BCC chooses to increase the millage rate beyond that which was approved in July, all taxpayers must be re-noticed.

In accordance with Resolution No. R-1018-94, public meetings are held throughout the County in August to discuss proposed new or increased fees and taxes. These meetings also serve as a forum to describe the budget to the public. As required by state law, two public budget hearings are held in September prior to the adoption of the budget. At the conclusion of the second public hearing, which must be at least ten days before the end of the fiscal year, the BCC makes final budget decisions, establishes tax rates, and adopts the budget ordinances for the ensuing fiscal year which begins on October 1. During the course of the fiscal year these budgets may be amended through supplemental budget appropriations approved by the BCC, which usually take place during the mid-year and year-end.

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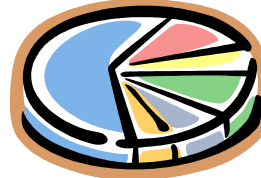
FY 2006-07 Resource Allocation Plan Process

December – January



Resource Allocation forecasting for coming year

May 31



Proposed Resource Allocation Plan presented

January



County Manager's Resource Allocation priorities released

May 31 - July 18



Mayor's response to proposed budget; Commission Workshop

January – March



Departmental resource Allocation preparation and meetings

July 1



Tax roll released

March



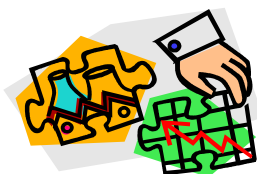
Mayor's budget address

July 18



Proposed maximum tax rates adopted by Count Commission; notices of proposed tax mailed in August

March –May



Resource Allocation workshops with County Commission and Commission Committees

September



Two public budget hearings

April



County Commission approves Resource Allocation policies

October 1

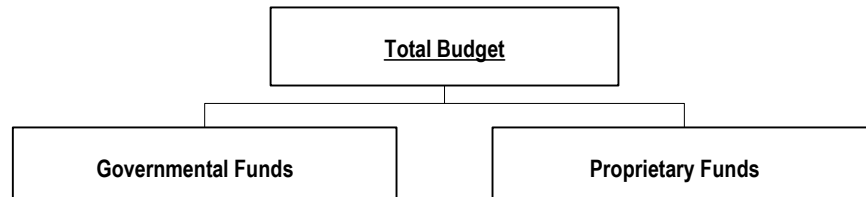


New Budget becomes effective

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Fund Structure

The following details the Miami-Dade County Fund Structure, describing the various funds and providing information regarding appropriations. A fund is a set of self-balancing accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives, as required by special regulations, restrictions, or limitations. Miami-Dade County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Only governmental funds and proprietary funds are appropriated as part of the annual budget. The budget ordinance that is presented to the BCC in September for the two public budget hearings follows such a fund structure.

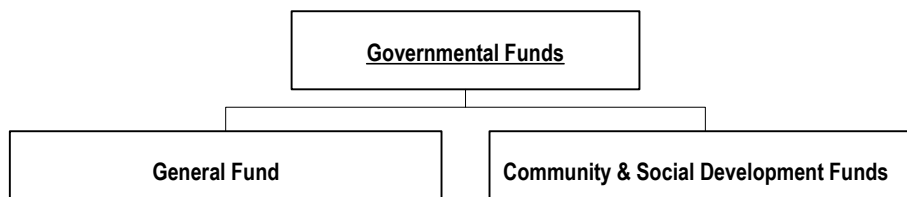


Governmental Funds

Governmental funds account for most of the County's basic services. General revenues, grants, or contributions principally support the activities reported in these funds. The following major governmental funds are included in the County's financial statements:

General Fund: The County's primary operating fund; also accounts for the financial resources of the general government, except those required to be accounted for in another fund.

Community and Social Development Funds: These funds account for revenues received from Federal and State grants for the operation of the Community Development Block Grants and low-income housing assistance and acquisition program, health and human services programs, and economic revitalization in empowerment zone areas.



Proprietary Funds

Proprietary funds are those funds where the County charges a user fee in order to recover costs. The County's proprietary funds are enterprise funds and internal service funds.

Enterprise funds are used to finance and account for the acquisition, operation, and maintenance of facilities and services that are intended to be entirely or predominantly self-supporting through the collection of charges from external customers. The following major enterprise funds are included in the County's financial statements:

Miami-Dade Transit Agency: Operates the County's mass transit rail system, bus system, metro-mover system, and paratransit services.

Miami-Dade Solid Waste Management Department: Provides solid waste collection and recycling services to the unincorporated area of Miami-Dade County and some municipalities. Also provides solid waste disposal services to 18 municipalities and operates a variety of facilities, including landfills, transfer stations, and neighborhood trash and recycling centers.

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Miami-Dade Seaport Department: Operates the Dante B. Fascell Port of Miami-Dade, which acts as home port at various times during the year for nearly 20 cruise vessels and serves numerous other cruise vessels. The Port also has a large container facility from which over 35 cargo shipping lines operate.

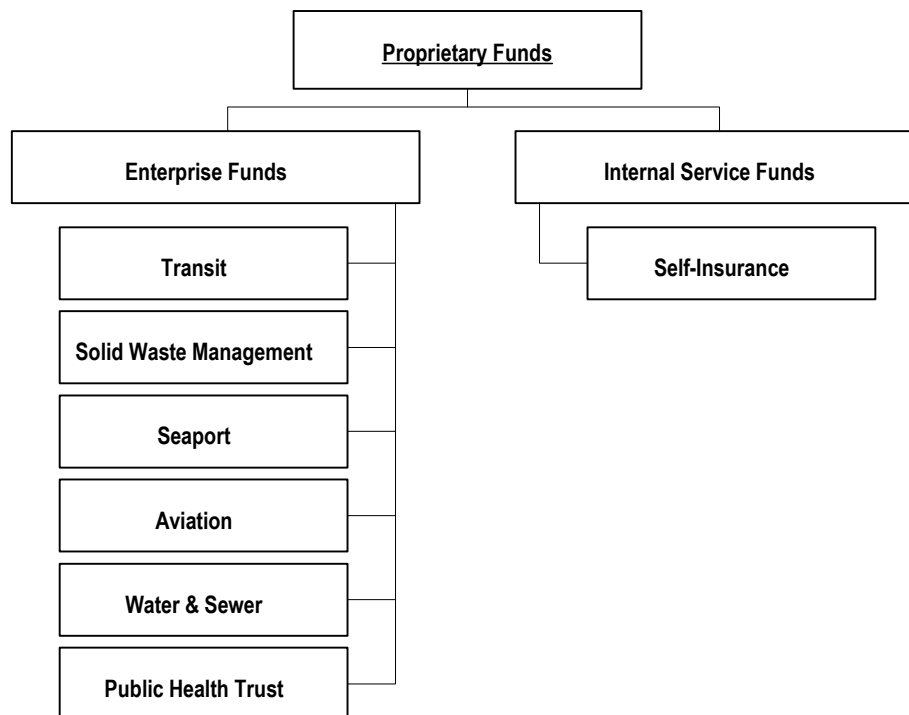
Miami-Dade Aviation Department: Operates and develops the activities of the Miami International Airport, four other general aviation airports, and one training airport.

Miami-Dade Water and Sewer Department: Maintains and operates the County's water distribution system and wastewater collection and treatment system.

Public Health Trust (PHT): The PHT was created by a County ordinance in 1973 that provided for an independent governing body responsible for the operation, governance, and maintenance of certain designated health facilities. The PHT operates Jackson Memorial Hospital and Medical Towers, the North Dade Primary Health Care Facility, the Corrections Health Services Facility, the Liberty City Medical Facility, and other health facilities.

Internal service funds are used to report any activity that provides goods and services to other funds, departments, or agencies of the County, on a reimbursement basis. The following internal service fund is included in the County's financial statements:

Self-Insurance Fund: Accounts for premium payments received from participating municipalities and County departments for payment of claims under the Workers' Compensation, General Auto Liability, and Property Damage Insurance Plan administered by the County. Also accounts for medical, life, and disability insurance for County employees and their families.



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Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others. The County currently has funds held in an agency capacity for the Clerk of the Circuit and County Court and the Tax Collector, as well as other funds placed in escrow pending distributions. These funds cannot be used to support the County's own programs, and therefore, are not reflected in the government-wide financial statements and are not required to be appropriated as part of the annual budget.

Clerk of Circuit and County Court Funds: Accounts for funds received, maintained and distributed by the Clerk of the Circuit and County Courts in his capacity as custodian to the State and County judicial systems.

Tax Collector Fund: Accounts for the collection and distribution of ad valorem taxes and personal property taxes to the appropriate taxing districts. Also accounts for the collection of motor vehicle registration fees and sales of other State of Florida licenses, the proceeds of which are remitted to the State.

Other Agency Funds: Accounts for various funds placed in escrow pending timed distributions.

Financial Policies

Miami-Dade County follows the financial policies required by the Miami-Dade County Home Rule Amendment and Charter, Florida Statutes Chapters 129 (County Annual Budget) and 200 (Determination of Millage), and the Generally Accepted Accounting Principles (GAAP) for state and local governments as set forth by the Governmental Accounting Standards Board (GASB).

The Citizens' Bill of Rights of the Miami-Dade County Home Rule Amendment and Charter states that in addition to any budget required by state statute, the County Manager shall prepare a budget showing the cost of each program for each budget year. Prior to the County Commission's first public hearing on the proposed budget required by state law, the County Manager shall make public a budget summary setting forth the proposed cost of each individual program and reflecting all major proposed increases and decreases in funds and personnel for each program, the purposes therefore, the estimated millage cost of each program and the amount of any contingency and carryover funds for each program.

Article 1, Section 1.10 (D) states that the Mayor shall prepare and deliver a budgetary address annually to the people of the county in March. Such address shall be prepared after consulting with the Manager and budget director and shall set forth the Mayor's funding priorities for the County.

Article 4, Section 4.03 states that the department of finance shall be headed by a finance director appointed by the County Manager and the Clerk of the Circuit and County Courts. The finance director shall have charge of the financial affairs of the county. Between June 1 and July 15, the County Manager should present a proposed budget to the Mayor containing a complete financial plan, including capital and operating budgets, for the ensuing fiscal year. The budget prepared and recommended by the County Manager and the Mayor's written response thereto shall be presented to the Commission on or before the BCC adopts tentative millage rates for the ensuing fiscal year. A summary of the budget shall be published and the BCC shall hold hearings on and adopt a budget on or before the dates required by law. No money shall be drawn from the county treasury nor shall any obligation for the expenditure of money be incurred except pursuant to appropriation and except that the BCC may establish working capital, revolving, pension, or trust funds and may provide that expenditures from such funds can be made without specific appropriation. The BCC, by ordinance, may transfer any unencumbered appropriation balance, or any portion thereof, from one department, fund, or agency to another, subject to the provisions of ordinance. Any portion of the earnings or balance of the several funds, other than sinking funds for obligations not yet retired, may be transferred to the general funds of the County by the BCC. Contracts for public improvements and purchases of supplies, materials, and services other than professional shall be made whenever practicable on the basis of specifications and competitive bids. Formal sealed bids shall be secured for all such contracts and purchases when the transaction involves more than the minimum amount established by the BCC by ordinance. The transaction shall be evidenced by written contract submitted and approved by the BCC. The BCC, upon written recommendation of the County Manager, may by resolution adopted by two-thirds vote of the members present waive competitive bidding when it finds this to be in the best interest of the county. Any County official or employee of the County who has a special financial interest, direct or indirect, in any action by

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the BCC shall make known that interest and shall refrain from voting upon or otherwise participating in such transaction. Willful violation of this Section shall constitute malfeasance in office, shall effect forfeiture of office or position, and render the transaction voidable by the BCC. Such officers and employees of the county as the BCC may designate shall give bond in the amount and with the surety prescribed by the BCC. The bond premiums shall be paid by the County. At the end of each fiscal year the BCC shall provide for an audit by an independent certified public accountant designated by the BCC of the accounts and finances of the County for the fiscal year just completed.

Chapter 129.01(2)(a), Florida Statutes establishes that the budget will be prepared, summarized, and approved by the BCC of each county and that it will be balanced. That is, the estimated revenues including balances brought forward will equal the total of the appropriations and reserves. It shall conform to the uniform classification of accounts prescribed by the appropriate state agency. The receipts division of the budget shall include 95 percent of all receipts reasonably to be anticipated from all sources, including taxes to be levied.

The fund balance is defined as the excess of assets and revenues over the liabilities and expenditures in any given fund.

Chapter 129.01(2)(b)(1), Florida Statutes provides that a reserve for contingencies may be provided in a sum not to exceed ten percent of the total budget.

Chapter 129.025, Florida Statutes allows for the designation of a county budget officer that may carry out the duties set forth in this chapter.

Chapter 129.06(1), Florida Statutes requires that adopted budgets shall regulate the expenditures of the county and each special district included within the county budget and the itemized estimates of expenditures shall have the effect of fixed appropriations and shall not be amended, altered, or exceeded except as amended

Chapter 129.06(2), Florida Statutes allows that the BCC at any time within a fiscal year may amend a budget for that year and may, within the first 60 days of a fiscal year, amend the budget for the prior fiscal year.

Chapter 129.07, Florida Statutes states that it is unlawful for the BCC to expend or contract for the expenditure in any fiscal year more than the amount budgeted in each fund's budget.

Chapter 200.011, Florida Statutes states that the BCC shall determine the amount to be raised for all county purposes, except for county school purposes, and shall enter upon their minutes the rates to be levied for each fund respectively, together with the rates certified to be levied by the BCC for use of the county, special taxing district, board, agency, or other taxing unit within the county for which the BCC is required by law to levy taxes.

Chapter 200.071, Florida Statutes mandates that no ad valorem tax millage shall be levied against real property and tangible personal property by counties in excess of 10 mills, except for voted levies. The BCC shall, in the event the sum of the proposed millage for the county and dependent districts therein is more than the maximum allowed hereunder, reduce the millage to be levied for county officers, departments, divisions, commissions, authorities, and dependent special districts. Any county which, through a municipal service taxing unit, provides services or facilities of the kind or type commonly provided by municipalities, may levy, in addition to the millages otherwise provided in this section, an ad valorem tax millage not in excess of 10 mills against real property and tangible personal property within each such municipal service taxing unit to pay for such services or facilities provided with the funds obtained through such levy within such municipal service taxing unit.

Miami-Dade County Resolution R-1074-04 established the current investment policy for Miami-Dade County which states in summary that the County's investment strategy is an adherence to buy and hold thereby eliminating the potential for risky trading.

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Countywide/Unincorporated Area Allocation

Consistent with its two-tier governmental structure, the County provides two basic levels of service: countywide metropolitan governmental services for all Miami-Dade County residents and municipal services for residents of the unincorporated area of the county (approximately half of Miami-Dade County's total population). The unincorporated area is known as the unincorporated municipal service area or UMSA.

The Miami-Dade operating budget separates countywide from UMSA appropriations. That separation ensures that residents pay only for the services they receive. The division of expenditures into countywide and UMSA services is relatively simple in most instances. Health care, mass transit, correctional facilities, and elections, for instance, are clearly countywide services. The Miami-Dade County Police Department, Park and Recreation Department, Planning and Zoning Department, Public Works Department, and Team Metro, however, provide both countywide and municipal services. The costs requiring property tax support in those departments are allocated between the Countywide General Fund and the UMSA General Fund budgets. Each department's cost allocation is reviewed annually. The calculations for FY 2006-07 are impacted by the incorporation of Cutler Bay during FY 2005-06.

Police services provided in the unincorporated area are similar to police services provided by municipal police departments. These services include uniform police patrols, general investigative services, school crossing guard program services, and community-based crime prevention programs. Criminal and other specialized investigative activities primarily serve the unincorporated area, but also provide support to municipalities on an as needed basis. Those costs are allocated between the countywide and unincorporated area budgets based on relative workloads during 2005. Countywide police functions are generally the sheriff's functions and include the crime laboratory, court services, civil process, warrants, public corruption investigations, and portions of the communications and records bureaus. The expenditures of overall support functions such as the director's office, the legal and professional compliance bureaus, and information technology are allocated in accordance with the overall department-wide allocation between countywide and UMSA budgets. Non-reimbursed costs of police presence supporting municipal police departments at events of countywide significance as approved by the BCC should also be treated as countywide functions. The allocation of the police budget is 31 percent to the countywide budget and 69 percent to the UMSA budget for FY 2006-07, as compared to 30 percent and 70 percent respectively in FY 2005-06.

The Park and Recreation Department's expenditures are divided similarly. UMSA park facilities and recreational programs are local in scope and, therefore, are funded from the UMSA budget. Included in this group are community and neighborhood parks, community pools, and non-specialized recreational programming. Countywide park facilities and programs serve all county residents and include regional parks such as Amelia Earhart, Ives Estates, Tamiami, and Tropical parks, metropolitan parks, Metrozoo, cultural facilities, natural areas, and ocean beaches. Administrative support and construction (planning, design, development, and maintenance) costs are allocated between the Countywide and UMSA budgets on the basis of the relative costs of direct services. Some countywide park facilities such as golf courses, marina and tennis centers, in general generate sufficient revenues to support their operations and do not require property tax support. As a result of this year's review of the cost allocation method, countywide support in this fiscal year is 62.1 percent compared to 63.2 percent in FY 2005-06.

General fund support to planning functions within the Planning and Zoning Department is allocated based on proportions of workload that relates to the unincorporated area as compared to the overall county. Because most planning activities such as charrettes, development reviews, preparation of special planning studies, and support of community councils are local in nature, the costs are allocated to the unincorporated area budget. Costs associated with the review of Developments of Regional Impact, area-wide economic forecasting and census related activities, however, are included in the countywide budget because of their countywide significance. In FY 2006-07, UMSA general fund support of Planning will be 57 percent compared to 33 percent in the previous year, reflecting the increase of planning activities and staff with a countywide focus.

The Public Works Department's unincorporated area budget provides funding for local right-of-way maintenance activities which include minor debris removal, pothole patching, paving, resurfacing, sidewalk repair, and landscape maintenance. Countywide Public Works Department responsibilities such as traffic signalization and signage, traffic engineering design,

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mosquito control, arterial road maintenance, and bridge operations are funded from Countywide funds. Several direct services are both Countywide and UMSA funded. These include right-of-way surveying and land acquisition, highway engineering, and right-of-way aesthetics and assets management. As in the case of the Park and Recreation Department, some Public Works services, such as causeways and special taxing districts, are fully self-supporting and require no property tax support. Administrative costs are allocated on the basis of the relative costs of direct services. Of the total recommended general fund support, Countywide support next fiscal year will be 83 percent compared to 84 percent in the current fiscal year. The final allocation reflects the replacement of capital improvement local option gas tax that had been supporting eligible programs with Countywide general funds, and the addition of recommended Countywide and UMSA enhancements, which increases the combined Countywide and UMSA general fund support by 25 percent.

In the past, outreach activities in Team Metro have been supported by UMSA revenues. The FY 2005-06 Adopted Budget includes Countywide funding for outreach services. Code enforcement activities continue to be supported by proprietary and UMSA funds. The allocation of the Team Metro budget is 43 percent to the countywide budget and 56 percent to the UMSA budget for FY 2006-07, as compared to 41 percent and 59 percent respectively in FY 2005-06.

The cost of the County's central administration, which supports operating departments, is apportioned based on the ratio of departmental countywide versus unincorporated area operating costs. This allocation for FY 2006-07 is 70 percent to the countywide budget and 30 percent to the UMSA budget, as compared to 68 percent and 32 percent respectively in FY 2005-06.

In some cases, specific functions within a particular central administrative department are funded from either the countywide or unincorporated area budget depending on the population served while other functions may be funded differently.

Revenue allocation is more clearly defined and usually based on statutory guidelines. Counties are authorized to collect certain revenues, as are municipalities. In accordance with State law and the Home Rule Charter, the unincorporated area realizes revenues comparable to those received by municipalities in Miami-Dade County. More detail on revenue allocations is provided.

Revenues

Miami-Dade County's operating budget is actually a combination of budgets relating to distinct services, including regional area-wide services provided countywide, local services in the unincorporated area, referred to as the UMSA, library services provided by the Miami-Dade Library System, and fire-rescue services provided within the Miami-Dade Fire Rescue District, as well as numerous proprietary operations and special assessment district functions. Each is separated to ensure that public revenues are used only for their authorized purposes and that residents pay only for those services available to them. Various types of revenues support Miami-Dade County's operations: taxes on property, sales, motor fuel, and utility bills; fees and service charges; federal and state grants; and others. Many of these revenues carry restrictions on their use, which provide constraints during the budget development process.

The most significant source of discretionary revenue to local governments in Florida is the property tax. The estimated tax roll growth (from the 2005 preliminary roll) for FY 2006-07 is 19.2 percent, the highest in over twenty years. In accordance with Amendment 10 to the State Constitution, the increase in property assessments for 2006 homestead residential properties will be capped at 3 percent, based on the growth in the Consumer Price Index.

The total of all proposed operating and voted debt millage rates is 11.644, a total of 0.07 mills lower than in FY 2005-06. Pursuant to State law, the sum of the countywide, Fire Rescue, and Library millage rates is subject to a 10-mill cap; at 8.870 mills, FY 2006-07 will be the twelfth consecutive year that the sum is below that cap and the ninth consecutive year the rate will be reduced from the previous year. Overall, the proposed millage rates reflect an increase of 16.8 percent above the state defined aggregate rolled-back rate.

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In general, discretionary revenue, other than property taxes and sales taxes, is expected to grow at a rate reflecting economic and population growth. Proprietary operations, such as the Aviation and Seaport departments, will grow to the extent that their activity and operating revenues permit. Pursuant to state law, revenues are budgeted at 95 percent of projected receipts. Certain revenues, such as cash carryover, are exempted from this requirement.

Countywide General Fund

The Countywide General Fund is increasing 16 percent in FY 2006-07. Property taxes (\$1.146 billion) are still the largest revenue source for the Countywide General Fund accounting for 82.5 percent of the total. This tax is levied on all non-exempt real and personal property in the County. The countywide millage is 5.775 mills which is 0.06 mills lower than in FY 2005-06. As in the past three fiscal years, the net revenue from 0.105 mills of the countywide operating millage rate is going towards funding the Emergency Contingency Reserve for FY 2006-07. The debt service millage is proposed at 0.285 mills, the same as in FY 2005-06.

State revenues routinely shared with Miami-Dade County consist largely of gasoline taxes, Local Government Half-Cent Sales Tax Program distributions, and County Revenue Sharing Programs. In addition, the state has authorized and the County has imposed the Six-Cent Local Option Gasoline Tax (LOGT), which is shared with municipalities, and a one-cent (also called ninth cent) local option gas tax. The budget for the six-cent LOGT is \$44.063 million; \$98,000 less than the previous year budget. This estimate is based on FY 2005-06 collections, FY 2006-07 projections, and State of Florida Department of Revenue's statewide projections. State gas tax revenue is expected to grow by one percent and is budgeted at \$12.951 million. The Ninth Cent LOGT is expected to follow the same trend as the LOGT and is budgeted at \$11.58 million in FY 2006-07.

Sales taxes continue to be the largest revenue component of the County and Municipal Revenue Sharing Trust Funds, replacing allocations from intangibles and cigarette taxes. County revenue sharing distributions are used to fund guaranteed entitlement debt service payments first and the remaining amount is budgeted as general revenue. In FY 2006-07, net County revenue sharing receipts to the general fund are budgeted at \$32.064 million.

Miami-Dade County receives Half-Cent Sales Tax Program distributions using a state defined formula, which divides the revenue among the municipalities and the County based on population. Sales tax revenues are then allocated between the countywide and UMSA budgets based on the same formula. In FY 2006-07, the distribution proportions are 45.4 percent countywide and 54.6 percent UMSA, a slight change from the 44 percent countywide and 56 percent UMSA distribution proportions of FY 2005-06. This change is due mainly due to the incorporation of the Town of Cutler Bay. The FY 2006-07 budgeted sales tax revenue is based on 4 percent growth over the FY 2005-06 projection prior to the adjustment for the Town of Cutler Bay. Budgeted sales tax revenue would have been over \$1 million higher, but HB 293 negatively affected Miami-Dade County and other cities and counties by diverting over \$16 million statewide to 29 fiscally constrained counties.

Countywide occupational license tax revenue to the Countywide General Fund is budgeted at \$2.868 million. As in the previous year, \$471,000 in occupational license revenue is budgeted in FY 2006-07 to fund consumer protection activities in the Consumer Services Department, which regulates businesses throughout the county.

The FY 2006-07 budget for carryover is \$38.931 million, a \$27.623 million increase from the \$11.308 million budgeted in the previous fiscal year, or a \$13.177 million increase from the actual FY 2005-06 carryover of \$25.754 million.

Interest earnings are expected to yield \$8.71 million, \$4.97 million more than budgeted in FY 2005-06. This estimate is based on year-to-date actuals and projections, as well as the return on County investments. Interest revenue to the general fund is derived not only from revenue in the general fund, but also from certain trust funds, reserve accounts, internal service funds, and revenues whose earnings may be legally transferred to the general fund.

Administrative reimbursement payments from proprietary funds will total \$38.954 million in FY 2006-07, \$20.808 less than budgeted in FY 2005-05. This decrease is mainly due to the elimination of the Water and Sewer return-on-equity payment

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(\$22.8 million). Consistent with past practices, administrative reimbursement revenue has been allocated between the countywide and unincorporated area budgets in the same proportion as the administrative expenses they support: 70 percent countywide and 30 percent UMSA. Changes in total payments from proprietary agencies are largely a reflection of changes in proprietary operating revenue.

Unincorporated Municipal Service Area General Fund

UMSA relies heavily on utility-based taxes and franchise fees. Unlike the Countywide General Fund, only 33.1 percent of unincorporated area revenue is derived from property taxes. The utility tax, communications tax, and electrical utility franchise fee revenue comprise 32.4 percent of the FY 2006-07 revenue budget and are charged only to unincorporated area residents. Utility tax revenues are budgeted at \$68.797 million based on historical growth, year-to-date collection information, and the impact of the Town of Cutler Bay incorporation. Communications tax revenue is budgeted at \$44.47 million, net of the amount dedicated to Public Works (\$1 million). The electrical utility franchise revenue is budgeted at \$39 million.

The UMSA millage rate is proposed at the level of 2.447 mills, which is the same as the FY 2005-06 rate. This rate generates \$155.663 million of budgeted revenue to the UMSA general fund.

Miami-Dade's municipal revenue sharing is budgeted at \$43 million in FY 2006-07. The allocation of local government sales tax to the unincorporated area continues to reflect all of the sales tax revenue derived on behalf of the unincorporated area population in accordance with the State defined formula and County policy. This allocation represents 55.4 percent of total County local government sales, less than the previous fiscal year primarily due to the incorporation of the Town of Cutler Bay. UMSA sales tax revenue is budgeted at \$68.161 million in FY 2006-07, a \$3.034 million increase over the FY 2005-06 budget. Occupational license tax proceeds to the UMSA general fund are budgeted at \$2.834 million in FY 2006-07 and do not include an additional \$2 million that go to fund the unincorporated area's share of the Finance Department. Carryover for FY 2006-07 is budgeted at \$29.994 million. Interest earnings are budgeted at \$4.29 million. Sheriff fees, including a \$25 annual registration fee for all registered alarm systems in the County, are budgeted at \$1.496 million.

Proprietary Funds

Proprietary agencies are supported entirely from fees and charges generated by their operations (as in the case of Aviation); by a special property tax (the Miami-Dade Fire Rescue District and Library System); a special assessment (Solid Waste Collection); or by proprietary revenue, including grants, which augment a general fund subsidy (Park and Recreation).

Property taxes comprise 91 percent of Miami-Dade Fire Rescue District revenues. The Fire Rescue District tax roll is currently estimated at \$126.073 billion with approximately \$3.205 billion in new construction. The proposed millage rate remains at 2.609 and generates \$312.48 million in property tax revenues for the district. This property tax levy increases the current level of services by providing partial year funding for four new Advance Life Support response units, improved communications dispatch staffing, and replacement of all self contained breathing apparatus throughout the department. The levy also provides for a \$16.659 million service reserve available for new services in the following years, a transfer of \$3.962 million to an emergency reserve for unforeseen events and \$782,000 tax equalization reserve.

Funding for the FY 2006-07 Air Rescue Division will be provided from countywide property taxes (\$9.889 million) and a transfer from the Public Health Trust (\$900,000). Funding for Ocean Rescue (\$3.511 million), as well as the Anti-Venom Unit (\$417,000), will be provided from countywide property taxes. In addition, the Anti-Venom Unit will generate \$152,000 in revenues from fees collected by the unit.

The Adopted Budget continues to treat the Finance Department as a proprietary department operating within the revenue it collects. The department will retain control over certain tax collector fees and revenues, including auto tag (\$12.476 million), real estate (\$8.499 million), and occupational license (\$3.237 million).

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Property taxes comprise 82 percent of Miami-Dade Library System budgeted revenues for FY 2006-07. The Miami-Dade Library System 2006 tax roll is \$187.890 billion. The recommended millage of 0.486 mills is the same as the FY 2005-06 rate and yields \$86.749 million in property tax revenue for the system. This amount provides the Library System with funds to buy new books and materials (\$7 million), and funding for capital renovations (\$3.8 million). State aid to libraries is estimated at \$2 million. In addition, the Library System is expected to spend \$20.158 million under the expansion plan approved in March 2002.

Aviation revenues projected in the FY 2006-07 Proposed Resource Allocation Plan are \$31.5 million more than budgeted in FY 2005-06, a 5 percent overall increase. Aviation Fees and Charges are expected to generate \$20.96 million more in revenues than in FY 2005-06 resulting from anticipated growth of passengers and cargo tonnage due in part to marketing efforts by MDAD to increase the number of international routes and cargo carriers. Landing Fees, which represent 32 percent of Aviation Fees and 14.29 percent of total revenues for FY 2006-07, will increase 5.12 percent over last year's budget, up to \$89 million, and will result in a Landing Fee rate of \$2.96 per 1,000 pounds of nominal gross landing weight. The Enplane Cost per Passenger will increase from \$18.10 in FY 2005-06 to \$19.70 in FY 2006-07. Rental revenues are increasing by 9.85 percent as airport capacity increases as new and newly renovated terminal spaces becomes available.

Seaport revenues in Revenue Fund 420 are budgeted at \$113.954 million in FY 2006-07, a increase of \$9.249 million from the FY 2005-06 Adopted Budget of \$104.705 million. Included in this increase is a \$5.45 million Regulatory Recovery Fee to offset enormous operational and infrastructure program costs for cargo (\$2.75 million), terminals (\$900,000), and for trucks using Commercial Vehicle Inspection Stations (\$1.2 million). The budget includes several increases to tariffs; dockage (\$0.25 per ton from \$0.24 per ton), crane rental (\$560 per hour from \$540 per hour), cruise passenger wharfage (\$8.25 per passenger from \$8.00 per passenger), cargo vessel wharfage (\$2.05 per ton from \$2.00 per ton), parking fees (\$15.00 per day from \$12.00 per day), ground transportation fees at various rates will increase by 25 percent, water in 250 gallons units (\$1.25 per ton from \$1.20 per ton), reefer fee for electrical plug ins (\$45.00 per day from \$39.00 per day) and an increase of various property rental rates by \$1.00. The revised fees have the potential to generate \$9.2 million of revenue in FY 2006-07 if approved.

The FY 2006-07 Proposed Budget includes retail rate adjustments utilizing a Maintenance Index of 4.5 percent based on a 20-year historical average of the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI), All Urban Consumers, Water and Sewerage Maintenance, U.S. City Average that will result in a 4.5 percent increase in average consumer's water bills, and will generate an additional \$13.419 million in revenue. Retail water and wastewater rates for "lifeline" customers will not increase in FY 2006-07. Additionally, the budget includes cost recovery rate adjustments for wholesale customers estimated to be \$0.05 per thousand gallons for Hialeah/Miami Springs and \$0.04 for other municipalities, or 1.8 percent and 1.4 percent, respectively. The increase in wholesale rates is preliminary until the department reviews the proposed rates with municipalities and an independent consultant. In the short term, these adjustments will allow for an increased level of reserves and phased-in implementation of previously approved departmental improvements. However, in the long term, these rate adjustments still fall short of providing revenue to fund approximately \$2.156 billion of unfunded planned capital projects including \$355 million in renewal and replacement needs.

No fee increases are being proposed for the Department of Environmental Resources Management (DERM) in FY 2006-07.

The FY 2006-07 Proposed Budget includes a \$50 increase in the household waste collection fee to \$449 in FY 2006-07 from \$399 in FY 2005-06. The household waste collection fee has remained at \$399 or less since FY 1992-93 when it increased from \$349 to \$399. Approximately \$31 of the proposed fee increase will provide adequate revenues to recover the costs of continuing curbside garbage and trash collection, the operation of 13 trash and recycling centers, and curbside recycling. Approximately \$19 of the fee increase will fund 15 additional bulky waste crews and associated equipment, and two additional litter crews. The 15 additional bulky waste crews will reduce the response time for bulky waste pickup requests from approximately 21 days to 7 days. Consistent with the contractual agreement with municipalities and private haulers, a CPI adjustment to the disposal tipping fees is recommended. Based on an estimated CPI of 3.7 percent for July 2005, through June 2006, the contracted disposal tipping fee would increase to \$55.65 from \$53.65, the non-contracted tipping fee increased to \$73.40 from \$70.75; and the transfer fee to \$11.00 from \$10.60, and the permitted landscaper disposal fee to \$6.73 per

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cubic yard from \$6.48. DSWM will continue looking at ways to reduce the cost of providing household waste collection service to its customers by evaluating service delivery alternatives such as changing the way we collect and process recyclable materials. A report summarizing the feasibility of such alternatives will be available by July 2006.

The Venetian and the Rickenbacker Causeway tolls are projected to generate \$8.085 million to cover operating and maintenance costs, and pay-as-you-go capital improvements at both causeways. The Proposed Resource Allocation Plan includes recommending structural adjustments to the platting fee schedule including eliminating the fee for final plat of 201 sites or more sites; the current and recommended fee structure for final plat of 101 sites or more sites remains at \$15,500 plus \$120 per site in excess of 100 sites and also recommends setting a maximum fee of \$25,000 for final plat of 101 sites or more sites. In order to increase quality assurance and reduce unnecessary resubmissions, the fee for second resubmission of either a tentative plat or a waiver of plat is recommended at \$1,000 and for each resubmission after the second resubmission, the resubmission fee is recommended to increase by 20 percent of the prior resubmission fee. The combined impact of these platting fee structure adjustments is projected to be revenue neutral.

The Building Department's total revenue of \$42.372 million includes \$1.15 million received from the Capital Outlay Reserve, and \$1.5 million for services provided to the Aviation Department. The Building Department did not increase any fees for FY 2006-07.

No fee or rate increases were included for planning and zoning activities in FY 2006-07. The Department's total revenue of \$26.197 million includes \$371,000 from the Countywide General Fund and \$490,000 from the UMSA General Fund, \$2.216 million from Impact Fee Administration and \$14.686 million from Planning and Zoning revenue.

The Vizcaya Museum and Gardens total revenue of \$4.951 million includes \$178,000 raised through selected fee adjustments. Some of the modified fees are commercial still photo permits, commercial filming fees, and fees related to the rental of the Main House. The FY 2006-07 Proposed Resource Allocation Plan provides Vizcaya Museum and Gardens with \$856,000 from the Convention Development Tax, \$250,000 from the Tourist Development Tax, and \$250,000 from the Countywide General Fund for operations.

Proposed fee adjustments in the Park and Recreation Department include increases for various facilities including Amelia Earhart Park, A.D. Barnes Park Nature Center and Campground, Bill Sadowski Park, Camp Owaissa Bauer, Crandon Park Tennis Center, Larry and Penny Thompson Campground, Showmobile and Sound Technician, Trail Glades Range. The proposed fee changes cover a variety of fees and programs including parking, sailing program registration, campground fees, canoe rentals, tennis court usage fee, and range admission. The proposed fees are anticipated to generate an additional \$293,000. Additionally, the wet-slip fees for Marinas are being increased by 15 percent to generate the funding needed for debt service on the planned \$17 million Marina Capital Plan (\$599,000).

State transit operating assistance for FY 2006-07 is budgeted at \$16.525 million consistent with the FY 2006-07 Florida Department of Transportation Five Year Work Program. Other state support includes \$18.472 million of Medicaid, Transportation Disadvantaged and Urban Corridor funding. The Adopted Budget includes the use of \$70.3 million for capitalized major preventive maintenance expense from the federal formula and fixed guideway grants, and the Capital Improvements Local Option Gas Tax and also includes \$2.25 million for federal Job Access and Reverse Commute and federal New Freedom funding. Proprietary operating revenues for Miami-Dade Transit are budgeted at \$91.893 million, which includes revenue from increased services as a result of the People's Transportation Plan (PTP) and the \$0.25 increase that became effective in May 2005. The PTP one half-cent sales surtax is programmed to provide \$114.731 million for transit operations. The total FY 2006-07 PTP one half-cent sales surtax revenue is forecast and budgeted at \$190 million, which will provide funding for Transit and Public Works capital projects, distribution to municipalities, and funding for PTP implementation based on the Charter County Transit System Surtax Pro Forma from December 2005. The figure will be updated in December 2006. The Countywide General Fund is budgeted at \$138.814 million and includes \$131.944 million for the state maintenance of effort requirement and \$6.87 million of support for the South Florida Regional Transportation Authority. Non-operating revenues including advertising, joint development, permits, leasing fees, and miscellaneous revenues are budgeted at \$9.372 million.

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Several departments rely heavily on state and federal funding in their budgets. The FY 2006-07 Proposed Resource Allocation Plan for the Department of Human Services (DHS), for example, includes \$187.511 million in federal and state grants, which are 73.9 percent of the total budget. Community Action Agency (CAA) includes \$65.595 million in grants, which are 79.7 percent of the total budget. Grant revenues are for the most part budgeted at FY 2005-06 levels, or adjusted based on our most current information of likely state and federal funding scenarios. Expenses generally increase due to normal inflationary trends while grant revenues remain the same or do not increase sufficiently to fully fund the same level of staffing. As a general policy, unless specifically approved by the BCC, County funding is not substituted to continue state or federally funded programs for which funding has been reduced or eliminated. The largest reduction in grant funding for social services in the FY 2006-07 Proposed Resource Allocation Plan is a \$6 million reduction in funding from the Early Learning Coalition of Miami-Dade and Monroe from the amount originally budgeted in the FY 2005-06 Adopted Resource Allocation Plan. Although funding for payments to the providers was not impacted, this resulted in a reduction of 49 positions providing support services including technical assistance, quality control, and administrative support. DHS will also experience minor reductions in other areas including the Byrne Grant program for addiction services, elderly home care, Disability Services and Independent Living (D/Sail) program, and rehabilitative services. The BCC will be provided with an update on state and federal funding and any service impacts, prior to the September budget hearings.

DHS revenues in the FY 2006-07 Proposed Resource Allocation Plan are \$53.749 million higher than in the current year including new funding from the State for the Voluntary Pre-Kindergarten (VPK) (\$60.235 million), decrease in state funding for the Child Care Purchasing Pool (CCEP)(\$2.7 million), reduction from Early Learning Coalition (ELC) for administrative and other direct service functions (\$3.2 million),and reduction of general fund match in line with reduction in funding for CCEP (\$3.2 million).

CAA revenues in the FY 2006-07 Proposed Resource Allocation Plan are \$4.387 million higher than in the current year but almost \$2 million is attributed to accounting treatment of revenues in Greater Miami Service Corp and Elderly Services.

The existing occupational license tax earmarked for economic activity is budgeted to generate \$4.438 million and will continue to be allocated to the Beacon Council. Pursuant to BCC action on June 7, 1994, eight percent of Beacon Council revenue from this source (\$355,000) will be transferred to the Metro-Miami Action Plan Trust for its economic development activities.

The E-911 telephone fee remains at the rate of \$0.50 per telephone line per month and will continue to fund E-911 operations and system maintenance.

Additional non-appropriated funds (such as trust funds) are included in the audited financial statements. These funds are not included in the budget presentation because they are not appropriated by the BCC.

Transient Lodging and Food and Beverage Taxes

Miami-Dade County collects and manages distribution of Convention Development Tax (CDT), Tourist Development Surtax (TDS), Tourist Development Tax (TDT), Professional Sports Franchise Facility Tax (PSFFT), and Food and Beverage Tax for Homeless and Domestic Violence (FBTHDV). These taxes are levied on a combination of food and beverage sales and transient lodgings in Miami-Dade County. A more detailed description of resort taxes in effect throughout Miami-Dade County is contained in Appendix M of Volume 1.

In the past few years, transient lodging and food and beverage taxes have been showing positive growing trends. These collection trends are expected to continue for all of the taxes mentioned above through FY 2005-06 and FY 2006-07. In accordance with state law, FY 2006-07 budgeted revenues are at 95 percent of the estimated collections.

The CDT, budgeted at \$44.777 million in FY 2006-07, is a three percent transient lodging tax levied throughout the County, excluding Surfside and Bal Harbour. CDT collections in FY 2004-05 grew by 15.9 percent when compared to FY 2003-04. FY 2005-06 projections are 12 percent higher than in the prior year. The tax proceeds are allocated (but not limited) to the

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payment of bonds issued for the Performing Arts Center and land for the American Airlines Arena, to the operating subsidy for the American Airlines Arena, to the City of Miami Beach for operation of the Miami Beach Convention Center Complex, to the Performing Arts Center Trust for the operations of the Performing Arts Center, payments associated with the Miami Arena, and cultural programs, as allowable by state statutes. The County retains residual revenues for other CDT eligible uses.

Revenue generated from the two percent Tourist Development Surtax (TDS) on food and beverage sales in hotels and motels is budgeted at \$5.291 million in FY 2006-07 and is used for tourist and convention-related promotions and advertising by the Greater Miami Convention and Visitors Bureau. TDS collections in FY 2004-05 grew by 4.4 percent from the prior year. FY 2005-06 receipts are projected to be 2.7 percent higher than FY 2004-05.

The 1993 state legislature expanded the Tourist Development Surtax and enabled Miami-Dade County to impose an additional one percent tax on the sale of food and beverages by establishments with consumption-on-premises alcoholic beverage licenses and gross annual revenue exceeding \$400,000. Revenues are dedicated for programs assisting the homeless and victims of domestic violence. Establishments subject to the Tourist Development Surtax are excluded from the new tax. The FY 2006-07 budgeted revenue is \$13.544 million and will be allocated to homeless assistance programs (85 percent) and for the construction and operation of facilities providing domestic violence shelter and services (15 percent). FY 2004-05 collections grew 9.1 percent when compared to FY 2003-04. FY 2005-06 collections are estimated at 9 percent over FY 2004-05.

The TDT, a two percent transient lodging tax collected throughout the County except in Miami Beach, Bal Harbour, and Surfside, is budgeted at \$16.502 million in FY 2006-07. TDT collections grew by 17.6 percent from FY 2003-04 and FY 2005-06 projections are expected to be 13 percent over FY 2004-05. These funds are allocated to various cultural and tourism activities funded through Miami-Dade County Cultural Affairs Council and Tourist Development Council grant programs, and the Greater Miami Convention and Visitors Bureau, for advertising and promotion efforts, and to facilities within the City of Miami.

The PSFFT is budgeted at \$8.250 million in FY 2006-07 and will continue to be used to pay debt service associated with various sports facilities, including the stadium at the Tennis Center at Crandon Park, the Orange Bowl, the Golf Club of Miami, the Miami Arena, the Crandon Park Golf Course, the Homestead Baseball Stadium, the Homestead Motorsports Complex, and the American Airlines Arena. These taxes have the same performance patterns as that of TDT.

FY 2006-07 Multi-Year Capital Plan

The FY 2006-07 Multi-Year Capital Resource Allocation Plan is \$2.159 billion, which is a 12.5 percent decrease from the FY 2005-06 amount of \$2.468 billion due primarily to completion of projects in FY 2005-06. Unfunded projects are estimated at \$5.41 billion, which is a 92.3 percent increase from the FY 2005-06 amount of \$2.813 billion due in large part to the inclusion of Water and Sewer Department unfunded projects (including \$1.09 billion for Reuse projects).

The Public Safety Strategic Area is budgeted at \$97.777 million and includes security enhancements at correctional facilities, planning and design of a new animal shelter, planning and design of the new Children's Courthouse, purchase and buildout of a new mental health facility, renovations of court facilities, and purchase of electronic control devices for all sworn personnel and mobile computing units for police cars. The Transportation Strategic Area is budgeted at \$1.222 billion and includes improvements to the airports, the Seaport, the Transit system, and several Public Works projects. The Recreation and Culture strategic area is budgeted at \$168.601 million and includes park improvements, including many BBC projects; new library construction; completion of the Performing Arts Center; and improvements to Vizcaya and the Miami Museum of Science. The Neighborhood and Unincorporated Area Municipal Services Strategic Area is budgeted at \$372.653 million and includes Water and Sewer improvements, Public Works neighborhood improvements, dredging of the Miami River, and unsafe structures demolitions. The Health and Human Services Strategic Area is budgeted at \$181.339 million and includes four Head Start Centers, affordable housing projects, and improvements to the Public Health Trust physical plant. The Economic Development Strategic Area is budgeted at \$652,000. The Enabling Strategies Strategic Area is budgeted at \$115.104 million and includes purchase and buildout of government facilities including the Overtown Transit Village, targeted technology

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improvements, Americans with Disabilities Act improvements, communications equipment, and improvements to buildings maintained by General Services Administration.

The FY 2005-06 countywide voted debt service millage remains at 0.285 mills. This millage rate will provide funding to pay principal and interest for the remainder of the 1972 Decade of Progress Bond Program (\$553.1 million), the 1982 Criminal Justice Facilities Bond Program (\$200 million), the 1996 Safe Neighborhood Parks (SNP) Bond Program (\$200 million), and the 2004 Building Better Communities (BBC) Bond Program (\$2.926 billion for several years, \$250 million to date). The FY 2005-06 Fire District voted debt service millage which provides funding for the 1994 Fire District Special Obligation Bond Program (\$59 million) has been reduced to 0.042 mills from 0.052 mills.

The Adopted Multi-Year Capital Plan has been developed hand-in-hand with other existing plans such as the Transportation Improvement Plan, the Comprehensive Development Master Plan, the People's Transportation Plan Pro-Forma, and the Community Development Block Grant Work Plan, if applicable.

The FY 2005-06 Capital Outlay Reserve (COR) fund is \$104.751 million of new funding. Revenues to COR include a transfer from the Countywide General Fund of \$63.745 million, a transfer from the UMSA General Fund of \$19.275 million, and transfers from various proprietary funds. Expenditures in COR are spread across several strategic areas and include \$4.609 million for Judicial Administration projects, \$7.105 million for Corrections projects, \$898,000 for dredging of the Miami River, \$15.589 million for Park and Recreation Department projects, \$7.036 million of Public Works Department projects, \$1.93 million for Americans with Disabilities projects, and \$3.182 million for Enterprise Technology Services Department projects.

General obligation bonds are general obligations of the County and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the County (excluding exempt property as required by Florida law). The full faith, credit, and taxing power of the County are irrevocably pledged to the prompt payment of both principal of and interest on the Bonds as the same become due and payable. Pursuant to the Florida Constitution, there is no limit on the amount of ad valorem taxes a county may levy for the payment of general obligation bonds.

Projects in the Building Better Communities General Obligation Program are budgeted as scheduled in the workplan approved by the BCC on May 13, 2005.

The following capital financings have occurred or are planned for the current fiscal year or next fiscal year:

- Aviation Port Authority Properties (PAP) Revenue Bonds, Series 2005 - \$600 million to finance airport expansion projects; rollout a portion of the commercial paper program and refunding of the various sub-series of the Aviation Series 1995 (November 2005)
- Public Service Tax Revenue Bonds (UMSA Public Improvements), Series 2005 - \$28 million to pay for the costs of certain capital projects included as the fourth phase of the County's Quality Neighborhood Initiative Program (QNIP) (February 2006)
- Transit System Surtax Special Obligation Revenue Bonds, Series 2006 - \$186.435 million, supported by the People's Transportation Tax, to finance various Transit projects and Public Works projects within the People's Transportation Plan (April 2006)
- Sunshine State Financing Commission Loan - \$5 million for the purpose of paying or reimbursing the County for the next phase of the cost of constructing certain capital infrastructure improvements for the Naranja Lakes Community Redevelopment Agency (May 2006)
- Aviation Port Authority Properties (PAP) Revenue Bonds, Series 2006a - \$600 million to finance airport expansion projects; rollout a portion of the commercial paper program and refunding all or a portion of the various sub-series of the Aviation Series 1996 Bonds (September 2006)
- Sunshine State Financing Commission Loan - an amount not to exceed \$100 million for the purpose of paying or reimbursing the County for the cost of acquiring certain capital equipment for the benefit of various County departments including Fire Rescue (\$31.1 million), Public Health Trust (\$30 million), and Solid Waste Management

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(\$2 million); this loan includes funds for the Performing Arts Center Acceleration and Recovery Plan (\$34.3 million) (September 2006)

- Building Acquisition Special Obligation Bonds Series 2006 – an amount not to exceed \$170 million for the acquisition and purchase of government facilities including the Overtown Transit Village Building, the TECO ice plant, and other potential buildings (December 2006)
- Aviation Port Authority Properties (PAP) Revenue Bonds, Series 2007 - \$600 million to finance airport expansion projects and rollout a portion of the commercial paper program (May 2007)
- Capital Program Special Housing Revenue Bonds, Series 2007 – an amount not to exceed \$45 million for the Miami-Dade Housing Authority (MDHA) to be issued to finance certain capital renovations and improvements and to secure a portion of MDHA's Capital Fund Grant receipts from US HUD (Spring 2007)
- Building Better Communities (BBC) General Obligation Bond Program - \$150 million to finance the second series under the BBC Bond Program (Summer 2007)
- Transit System Surtax Special Obligation Revenue Bonds, Series 2007 - \$120 million second series of transit bonds, supported by the People's Transportation Tax, to finance various Transit projects and Public Works projects within the People's Transportation Plan (Summer 2007)
- Sunshine State Financing Commission Loan – not to exceed \$25 million for the purpose of paying or reimbursing the County for the cost of constructing a multi-level Parking Garage at Terminal D and other improvements of terminal facilities at the Dante B. Fascell Port of Miami-Dade (Summer 2007)

For presentation purposes in the Capital Resource Allocation Plan, for ongoing, yearly projects prior year revenues that were expended are not shown to avoid artificially inflating the overall capital budget by showing cumulative expenditures that have already been completed.

Volume 2 to this document contains detailed information on all of the County's outstanding debt at the time of publication.

Some projects included in the Proposed Multi-Year Capital Plan may be constructed using miscellaneous contracts. Projects will be implemented through various competitive processes to acquire traditional design-bid, design-build, construction manager at risk, or miscellaneous environmental remediation services.

Readers of this document are invited to share their comments, suggestions, or criticisms to the Office of Strategic Business Management, 111 N.W. First Street, Suite 2210, Miami, Florida 33128, by sending an email to Budget@miamidade.gov, or by calling the Answer Center, by dialing 311.

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